VIRGINIA:

BOOK 478 PAGE 837

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NO. VGOB 98/03/24-0643 ELECTIONS, UNIT: VC-3671

(herein "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

This Amended Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at hearings held on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purposes of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70c by supplementing the Order previously issued by the Board for Subject Docket on April 9, 1998, and recorded at Deed Book 475, Page 37, in the Office of the Clerk of Circuit Court, Buchanan County, Virginia on April 22, 1998 (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.

Findings: The Board finds that:

- (a) The Board Order directed Equitable Resources Energy Company (herein the "Designated Operator"), to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by said Board Order;
- (b) The designated operator filed its affidavit of mailing dated April 27, 1998, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;
- (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated June 10, 1998, in

accordance with § 7.C of the Virginia Gas and Oil Regulations and 4 VAC 25-160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;

- (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B.
- (e) Current Board standards requiring the escrow of funds and the Board's agreement with the Escrow Agent, First Virginia Bank-Mountain Empire, P. O. Box 1038, Abingdon, Virginia 24212, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
- 3. Order: According to the annexed Affidavits, there are no funds subject to the escrow requirements of the Board Order; therefore, unless and until otherwise ordered by the Board, the Escrow Agent, First Virginia Bank-Mountain Empire, Trust Department, P. O. Box 1038, Abingdon, Virginia 24212, or any successor named by the Board is not required to establish interest-bearing escrow account(s).
- 4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that true and correct copies of this Order were mailed to each person whose interest or claim is subject to escrow and whose address is known.
- Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
- 6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 2 rd day of July, 1998, by a majority of the Virginia Gas and Oil Board.
Chairman, Benny R. Wampier
DONE AND PERFORMED this day of July, 1998, by Order of the Board. Byron Thomas Fulmer Principal Executive to the Staff Virginia Gas and Oil Board
STATE OF VIRGINIA) COUNTY OF WISE)
Acknowledged on this day of July, 1998, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so. Susan G. Garrett Notary Public
My commission expires: July 31, 1998
Acknowledged on this day of July, 1998, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so Diane J. Davis Notary Public

My commission expires: September 30, 2001

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE: Application of Equitable Resources Energy Company, Eastern Region for Forced Pooling of Interests in Unit Number VC-3671, VGOB Docket No. VGOB-98/03/24-0643 in the Hurricane Magisterial District of Buchanan County, Virginia.

AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

- 1. That the Affiant is an attorney in the law firm of WILHOIT & KAISER, the Agent for the Designated Operator, with offices located at 155 Shelby Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
- 2. That the Order entered on April 9, 1998, by the Virginia Gas an Oil Board regarding the captioned coalbed methane Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
- 3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
- 4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on April 22, 1998.
- 5. That the Designated Operator, by and through their agent, Wilhoit & Kaiser, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods:

NONE

6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and

the Code of Virginia; that opposite the name of each person named as a Respondent listed below is set forth:

NONE

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims which are not subject to escrow:

NONE

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraphs 10 of the Order.

Tract	Name	Cash Consideration
3	Novelda E. Kahlau	0.4132 Acres x \$5 = \$2.07
	James D. Breeding & Myrtle Breeding, H/W	0.2756 Acres x \$5 = \$1.38
	Ken Titus Breeding & Karen Breeding, H/W	0.2756 Acres x \$5 = \$1.38
	Beatrice Pauline Sutphine & Robert Sutphine, W/H	0.2756 Acres x \$5 = \$1.38
	Terri L. Clark & Stephen Clark, W/H	0.2756 Acres x \$5 = \$1.38
	Joyce Breeding, Single	0.2756 Acres x \$5 = \$1.38
4	Novelda E. Kahlau, Single	0.9822 Acres x \$5 = \$4.92
	James D. Breeding & Myrtle Breeding, H/W	0.6548 Acres x \$5 = \$3.28
	Ken Titus Breeding & Karen Breeding, H/W	0.6548 Acres x \$5 = \$3.28
	Beatrice Pauline Sutphine & Robert Sutphine, W/H	0.6548 Acres x \$5 = \$3.28
	2	

Terri L. Clark & Stephen Clark, W/H 0.6548 Acres x \$5 = \$3.28

Joyce Breeding, Single

0.6548 Acres x \$5 = \$3.28

That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are not required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 104k day of

<u>,</u> 1998.

Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable Resources Energy Company, a corporation, on behalf of the corporation, this _______ day of _______ 1998.

My commission expires: Auly 31, 2001

Notary

EXHIBIT "B" BOOK 478 PAGE 843 VC-3671

)	TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT	NET REVENUE INTEREST	
			Gas Estate				
	1	Pittston Company c/o Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 5100 Lebanon, VA 24226	Leased-EREC 241490L01 Tract T-606	57.240000%	33.6400	0.07155000	RI
		Equitable Resources Energy Company	y			0.50085000	_WI
		Tract 1 Totals		57.240000%	33.6400	0.57240000	
)	2	Pittston Company c/o Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 5100 Lebanon, VA 24226	Leased-EREC 241490L01 Tract T-597	0.020000%	0.0100	0.00002500	RI
		Equitable Resources Energy Company	y			0.00017500	_WI
		Tract 2 Totals		0.020000%	0.0100	0.00020000	
	3	Dennis Associates, Inc. P. O. Box 2005 Grundy, VA 24614	Leased-EREC 244790L 01	4.220000%	2.4800	0.00527500	RI
		Julia Breeding Heirs					
		Yvonne Ray & Carl Ray, W/H Route 1 Box 253 Vansant, VA 24656	Leased-EREC 244790L 04	0.703334%	0.4133	0.00087917	RI
		Louise V. Allen, Single 1613 Mars Hill Drive #D Dayton, OH 45449	Leased-EREC 244790L 08	0.703333%	0.4133	0.00087917	RI

TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT	NET REVENUE INTEREST	
	Zane F. Breeding & Aileen Breeding, H/W 634 Mears Drive Miamisburg, OH 45342	Leased-EREC 244790L 07	0.703333%	0.4133	0.00087917	RI
	Udell Breeding & Roxie A. Breeding, H/W 1327 Marsha Drive Miamisburg, OH 45342	Leased-EREC 244790L 05	0.703333%	0.4133	0.00087917	RI
	Arthur F. Breeding & Kim Breeding, H/W 813 Wake Forest Road Dayton, OH 45431	Leased-EREC 244790L 06	0.703333%	0.4133	0.00087917	RI
	Novelda E. Kahlau, Single P. O. Box 2014 Marco Island, FL 34146	Deemed Leased	0.703334%	0.4132	0.00087916	RI
	Vince Breeding Heirs	,				
	James D. Breeding & Myrtle Breeding, H/W 113-A Hume Avenue Alexandria, VA 22301	Deemed Leased	0.468889%	0.2756	0.00058611	RI
	Sharon Breeding, Single 13492 Scantlin Mt. Road Culpeper, VA 22701	Leased-EREC 244790L 02	1.406666%	0.8267	0.00175833	RI
	Ken Titus Breeding & Karen Breeding, H/W 12455 Yeawood Drive Boston, VA 22713	Deemed Leased	0.468889%	0.2756	0.00058611	RI
	Beatrice Pauline Sutphine & Robert Sutphine, W/H 28 Oak Street Annapolis, MD 21401	Deemed Leased	0.468889%	0.2756	0.00058611	RI

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TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT	NET REVENUE INTEREST	
	Terri L. Clark & Stephen Clark, W/H 11308 Indian Head Highway Fort Washington, MD 20744	Deemed Leased	0.468889%	0.2756	0.00058611	RI
	Joyce Breeding, Single 9508 Loman Drive Manassas, VA 22111	Deemed Leased	0.468889%	0.2756	0.00058611	RI
	Sandra Breeding, Single 6116 Harmon Place Springfield, VA 22152	Leased-EREC 244790L 03	0.468889%	0.2756	0.00058611	RI
	Equitable Resources Energy Compan	y			0.11077500	WI
基础设备	Tract 3 Totals		12.660000%	7.4400	0.12660000	
4	Dennis Associates, Inc. P. O. Box 2005 Grundy, VA 24614	Leased-EREC 244790L 01	10.026667%	5.8933	0.01253333	RI
	Julia Breeding Heirs					
	Yvonne Ray & Carl Ray, W/H Route 1 Box 253 Vansant, VA 24656	Leased-EREC 244790L 04	1.671111%	0.9822	0.00208889	RI
	Louise V. Allen, Single 1613 Mars Hill Drive #D Dayton, OH 45449	Leased-EREC 244790L 08	1.671111%	0.9822	0.00208889	RI
	Zane F. Breeding & Aileen Breeding, H/W 634 Mears Drive Miamisburg, OH 45342	Leased-EREC 244790L 07	1.671111%	0.9822	0.00208889	RI
	Udell Breeding & Roxie A. Breeding, H/W 1327 Marsha Drive Miamisburg, OH 45342	Leased-EREC 244790L 05	1.671111%	0.9822	0.00208889	RI

TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT	NET REVENUE INTEREST	
	Arthur F. Breeding & Kim Breeding, H/W 813 Wake Forest Road Dayton, OH 45431	Leased-EREC 244790L 06	1.671111%	0.9822	0.00208889	RI
	Novelda E. Kahlau, Single P. O. Box 2014 Marco Island, FL 34146	Deemed Leased	1.671111%	0.9822	0.00208889	RI
	Vince Breeding Heirs					
	James D. Breeding & Myrtle Breeding, H/W 113-A Hume Avenue Alexandria, VA 22301	Deemed Leased	1.114074%	0.6548	0.00139259	RI
	Sharon Breeding, Single 13492 Scantlin Mt. Road Culpeper, VA 22701	Leased-EREC 244790L 02	3.342223%	1.9645	0.00417779	RI
	Ken Titus Breeding & Karen Breeding, H/W 12455 Yeawood Drive Boston, VA 22713	Deemed Leased	1.114074%	0.6548	0.00139259	RI
	Beatrice Pauline Sutphine & Robert Sutphine, W/H 28 Oak Street Annapolis, MD 21401	Deemed Leased	1.114074%	0.6548	0.00139259	RI
	Terri L. Clark & Stephen Clark, W/H 11308 Indian Head Highway Fort Washington, MD 20744	Deemed Leased	1.114074%	0.6549	0.00139259	RI
	Joyce Breeding, Single 9508 Loman Drive Manassas, VA 22111	Deemed Leased	1.114074%	0.6549	0.00139259	RI

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TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT	NET REVENUE INTEREST	
	Sandra Breeding, Single 6116 Harmon Place Springfield, VA 22152	Leased-EREC 244790L 03	1.114074%	0.6548	0.00139259	RI
	Equitable Resources Energy Compan	у			0.26320000	
	Tract 4 Totals		30.080000%	17.6800	0.30080000	
	TOTAL GAS ESTATE		100.000000%	58.7700	1.0000	

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)	TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT	NET REVENUE INTEREST	
		Co	oal Estate Only	!			
	1	Pittston Company c/o Clinchfield Coal Company Attn: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EREC 241490L01 Tract T-606	57.240000%	33.6400	0.07155000	RI
		Equitable Resources Energy Company	,			0.50085000	_wı
		Tract 1 Totals		57.240000%	33.6400	0.57240000	
)	2	Pittston Company c/o Clinchfield Coal Company Attn: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EREC 241490L01 Tract T-597	0.020000%	0.0100	0.00002500	RI
		Equitable Resources Energy Company	,			0.00017500	WI
		Tract 2 Totals		0.020000%	0.0100	0.00020000	
	3	Dennis Associates, Inc. P. O. Box 2005 Grundy, VA 24614	Leased-EREC 244790L 01	4.220000%	2.4800	0.00527500	RI
		Julia Breeding Heirs					
		Yvonne Ray & Carl Ray, W/H Route 1 Box 253 Vansant, VA 24656	Leased-EREC 244790L 04	0.703334%	0.4133	0.00087917	RI
		Louise V. Allen, Single 1613 Mars Hill Drive #D Dayton, OH 45449	Leased-EREC 244790L 08	0.703333%	0.4133	0.00087917	RI

TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT	NET REVENUE INTEREST	
	Zane F. Breeding & Aileen Breeding, H/W 634 Mears Drive Miamisburg, OH 45342	Leased-EREC 244790L 07	0.703333%	0.4133	0.00087917	RI
	Udell Breeding & Roxie A. Breeding, H/W 1327 Marsha Drive Miamisburg, OH 45342	Leased-EREC 244790L 05	0.703333%	0.4133	0.00087917	RI
	Arthur F. Breeding & Kim Breeding, H/W 813 Wake Forest Road Dayton, OH 45431	Leased-EREC 244790L 06	0.703333%	0.4133	0.00087917	RI
	Novelda E. Kahlau, Single P. O. Box 2014 Marco Island, FL 34146 Vince Breeding Heirs	Deemed Leased	0.703334%	0.4132	0.00087916	RI
	James D. Breeding & Myrtle Breeding, H/W 113-A Hume Avenue Alexandria, VA 22301	Deemed Leased	0.468889%	0.2756	0.00058611	RI
	Sharon Breeding, Single 13492 Scantlin Mt. Road Culpeper, VA 22701	Leased-EREC 244790L 02	1.406666%	0.8267	0.00175833	RI
	Ken Titus Breeding & Karen Breeding, H/W 12455 Yeawood Drive Boston, VA 22713	Deemed Leased	0.468889%	0.2756	0.00058611	RI
	Beatrice Pauline Sutphine & Robert Sutphine, W/H 28 Oak Street Annapolis, MD 21401	Deemed Leased	0.468889%	0.2756	0.00058611	RI

)	TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT	NET REVENUE INTEREST	
		Terri L. Clark & Stephen Clark, W/H 11308 Indian Head Highway Fort Washington, MD 20744	Deemed Leased	0.468889%	0.2756	0.00058611	RI
		Joyce Breeding, Single 9508 Loman Drive Manassas, VA 22111	Deemed Leased	0.468889%	0.2756	0.00058611	RI
		Sandra Breeding, Single 6116 Harmon Place Springfield, VA 22152	Leased-EREC 244790L 03	0.468889%	0.2756	0.00058611	RI
		Equitable Resources Energy Company				0.11077500	_wı
)		Tract 3 Totals		12.660000%	7.4400	0.12660000	
	4	Dennis Associates, Inc. P. O. Box 2005 Grundy, VA 24614	Leased-EREC 244790L 01	10.026667%	5.8933	0.01253333	RI
		Julia Breeding Heirs					
		Yvonne Ray & Carl Ray, W/H Route 1 Box 253 Vansant, VA 24656	Leased-EREC 244790L 04	1.671111%	0.9822	0.00208889	RI
		Louise V. Allen, Single 1613 Mars Hill Drive #D Dayton, OH 45449	Leased-EREC 244790L 08	1.671111%	0.9822	0.00208889	RI
		Zane F. Breeding & Aileen Breeding, H/W 634 Mears Drive Miamisburg, OH 45342	Leased-EREC 244790L 07	1.671111%	0.9822	0.00208889	RI
)		Udell Breeding & Roxie A. Breeding, H/W 1327 Marsha Drive Miamisburg, OH 45342	Leased-EREC 244790L 05	1.671111%	0.9822	0.00208889	RI

TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT	NET REVENUE INTEREST	
	Arthur F. Breeding & Kim Breeding, H/W 813 Wake Forest Road Dayton, OH 45431	Leased-EREC 244790L 06	1.671111%	0.9822	0.00208889	RI
	Novelda E. Kahlau, Single P. O. Box 2014 Marco Island, FL 34146	Deemed Leased	1.671111%	0.9822	0.00208889	RI
	Vince Breeding Heirs					
	James D. Breeding & Myrtle Breeding, H/W 113-A Hume Avenue Alexandria, VA 22301	Deemed Leased	1.114074%	0.6549	0.00139260	RI
	Sharon Breeding, Single 13492 Scantlin Mt. Road Culpeper, VA 22701	Leased-EREC 244790L 02	3.342223%	1.9644	0.00417778	RI
	Ken Titus Breeding & Karen Breeding, H/W 12455 Yeawood Drive Boston, VA 22713	Deemed Leased	1.114074%	0.6548	0.00139259	RI
	Beatrice Pauline Sutphine & Robert Sutphine, W/H 28 Oak Street Annapolis, MD 21401	Deemed Leased	1.114074%	0.6548	0.00139259	RI
	Terri L. Clark & Stephen Clark, W/H 11308 Indian Head Highway Fort Washington, MD 20744	Deemed Leased	1.114074%	0.6549	0.00139259	RI
	Joyce Breeding, Single 9508 Loman Drive Manassas, VA 22111	Deemed Leased	1.114074%	0.6549	0.00139259	RI

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TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT	NET REVENUE INTEREST	
	Sandra Breeding, Single 6116 Harmon Place Springfield, VA 22152	Leased-EREC 244790L 03	1.114074%	0.6548	0.00139259	RI
	Equitable Resources Energy Compar	ıy			0.26320000	_wı
	Tract 4 Totals		30.080000%	17.6800	0.30080000	
14	TOTAL COAL ESTATE		100.000000%	58.7700	1.0000	

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office of order and is, together with the certificate of acknowledgment annexed, admitted to record this day of the day of th